

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 6393

BILL NUMBER: HB 1077

NOTE PREPARED: Mar 31, 2009

BILL AMENDED: Mar 26, 2009

SUBJECT: Special Tool and Common Law Liens.

FIRST AUTHOR: Rep. Cheatham

FIRST SPONSOR: Sen. Walker

BILL STATUS: As Passed Senate

FUNDS AFFECTED: X GENERAL
DEDICATED
FEDERAL

IMPACT: State & Local

Summary of Legislation: (Amended) The bill establishes possession and ownership rights in special tools used for the fabrication of certain parts. The bill specifies procedures that must be used to establish a lien on certain special tools, and provides that a lienholder is entitled to court costs and reasonable attorney's fees incurred while enforcing the lienholder's rights. The bill provides a filing deadline for a common law lien, and specifies that a common law lien is void under certain circumstances.

Effective Date: Upon passage.

Explanation of State Expenditures:

Explanation of State Revenues: *Summary-* The bill would allow a special tool builder to enforce possession of a special tool by judgment, foreclosure, or any available judicial procedure for unpaid liens.

Court Fee Revenue: If additional civil actions occur and court fees are collected, revenue to the state General Fund may increase. A civil costs fee of \$100 would be assessed when a civil case is filed, 70% of which would be deposited in the state General Fund if the case is filed in a court of record or 55% if the case is filed in a city or town court. In addition, some or all of the document storage fee (\$2), automated record keeping fee (\$7), judicial salaries fee (\$18), public defense administration fee (\$3), court administration fee (\$5), and the judicial insurance adjustment fee (\$1) are deposited into the state General Fund. Additional fees may be collected at the discretion of the judge and depending upon the particular type of case.

Explanation of Local Expenditures:

Explanation of Local Revenues: *Court Fee Revenue:* If additional civil actions occur, local governments would receive revenue from the following sources. The county general fund would receive 27% of the \$100 civil costs fee that is assessed in a court of record. Cities and towns maintaining a law enforcement agency that prosecutes at least 50% of its ordinance violations in a court of record may receive 3% of court fees. If the case is filed in a city or town court, 20% of the court fee would be deposited in the county general fund and 25% would be deposited in the city or town general fund. Additional fees may be collected at the discretion of the judge and depending upon the particular type of case.

State Agencies Affected:

Local Agencies Affected: Trial courts, city and town courts.

Information Sources:

Fiscal Analyst: Chris Baker, 317-232-9851.